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FM AMEMBASSY BUDAPEST
TO RUEHC/SECSTATE WASHDC 3876
INFO RUCNDT/USMISSION USUN NEW YORK 0128
RUEHNO/USMISSION USNATO 0450
RUEHUNV/USMISSION UNVIE VIENNA 0062
RUEHGV/USMISSION GENEVA 0533

C O N F I D E N T I A L BUDAPEST 000113

SIPDIS

DEPARTMENT FOR ISN/MNSA AND EUR/CE JAMIE LAMORE, GENEVA (CD), UNVIE (IAEA), USUN (POL), USNATO (POL), USEU (POL)

E.O. 12958: DECL: 02/08/2018
TAGS: PGOV PREL PARM NPT MNUC ENGR HU
SUBJECT: HUNGARY: NUCLEAR NONPROLIFERATION TREATY (NPT)
BACKGROUND INFORMATION

Classified By: P/E Counselor, Eric Gaudiosi, reasons 1.4 (b and d)

- 11. (U) This is an action request, see paragraph 5.
- 12. (U) Post provides the following responses provided by the MFA's Security and Non-proliferation Department, keyed to questions outlined in ref A, paragraph 8.
- 13. A. (C) What are the host government's objectives for the NPT in general, and for the current review process in particular?

Hungary is firmly interested in a healthy, robust, and well-functioning NPT. Since the failure of the previous review cycle, the Treaty has been in a crisis of confidence. Our goal should be to gradually rebuild trust in the "grand bargain" that forms the basis of the NPT regime. As far as the prospects are concerned, we are cautiously optimistic. The current review process should lead to the adoption of a consensus outcome document of substance, but first, State parties should be able to start meaningful discussions on the issues at hand. The 2008 Preparatory Committee (PrepCom) was a good first step towards achieving this goal.

 $\P B.$ (C) What policies or actions regarding the NPT does the host government hope to see from the United States?

As a major nuclear power and a depository of the Treaty, the U.S. clearly has a defining role in the review process of the Hungary agrees with the concerns that have been expressed by the United States at various NPT meetings in the past; e.g. on clandestine nuclear proliferation, non-compliance with Article II, and the ill-defined provisions on withdrawal (Article X). Pogress on these issues would be accelerated if previous commitments - made at the 1995 and 2000 Review Conference (RevCons) - were not questioned. The United States could make clear this year that it still supports the outcome of the above-mentioned RevCons. Progress on nuclear disarmament, which in the case of the United States and Russia is still primarily a bi-lateral issue, would also help in creating a positive climate for NPT negotiations. The common statement by the P5 countries was a welcome development of the 2008 PrepCom, which will hopefully be repeated in 2009.

<u>1</u>C. (SBU) What does the host government believe would represent a successful outcome to the current NPT cycle ending with the 2010 Review Conference? How important is it for Parties to reach consensus on substantive matters?

Given the failure of the previous cycle, consensus on - at least some - substantive issues at this time seems to be essential.

- 1D. (C) Does the host government believe that NPT parties should take action to address the NPT issues described below? If so, what actions would it support?
- All of the issues described are of great importance to the functioning of the Treaty, and all of them will probably be discussed in depth at the PrepCom and the RevCon meetings.

Specific comments:

-- Noncompliance with the NPT, e.g., on the part of Iran and North Korea.

We need to address non-compliance and the spread of enrichment and reprocessing capabilities in a definite manner in order to tackle the "crisis of confidence" surrounding the Treaty. The 2008 U.S. Working Paper (WP 27) presented very useful ideas in this regard.

-- The prospect of Parties violating and then withdrawing from the Treaty.

Hungary would support a decision on Article X in order to clarify the issue of withdrawal.

 $\mbox{--}$ The spread of enrichment and reprocessing capabilities to additional countries.

We see great merit in the proposals that aim to

"multilateralize" the nuclear fuel cycle. Hungary, together with the European Union, will actively support the idea of an international fuel bank supervised by the IAEA. Such a fuel bank, and the guarantees it implies, would render mute the arguments for a national enrichment capacity.

- -- Fulfilling the Treaty's obligation for the fullest possible international cooperation for the peaceful uses of nuclear energy consistent with the Treaty's nonproliferation obligations.
- -- The lack of universality of NPT safeguards agreements and the Additional Protocol.
- -- The lack of NPT universality.
- -- Fulfilling the Treaty's obligations to pursue negotiations relating to nuclear disarmament.

At the 2008 PrepCom, as part of the "Group of 10," Hungary presented proposals on the practical implementation of the Treaty's provisions. The basis for all the proposed steps is the IAEA's safeguards system. The G-10 also presented new ideas on the physical protection of nuclear materials, export controls, and other relevant matters (WPs 12,13,14, 15, 16, 17, 18). We would like to see follow-up on these initiatives.

- 14. (C) Hungarian MFA response continued. Other issues Hungary would like to see discussed, and possibly agreed upon, include the Fissile Material Cut-Off Treaty (FMCT), Security Council Resolution 1540, and the Comprehensive Test Ban Treaty's (CTBT) entry into force. Hungary has also traditionally supported efforts on non-proliferation and disarmament education, and we hope to see new ideas in this regard.
- 15. (C) Our Hungarian interlocutors requested to know where the USG stands on its previous commitments to the 1995 and 2000 REVCONS, specifically querying as to the U.S. commitment to the "13 practical steps" developed at the 2000 REVCON.
- $\P6.$ (U) Post previously provided Embassy and Hungarian POC information in ref B. Foley